Noridian Healthcare Solutions, LLC, Made $8.8 Million in Improper Monthly Capitation Payments to Physicians and Qualified Nonphysician Practitioners in Jurisdiction E for Certain Services Related to End-Stage Renal Disease

What OIG Found
Noridian did not make some MCPs to physicians and qualified nonphysician practitioners in Jurisdiction E for certain ESRD-related services in accordance with Medicare requirements and guidance. Of the sampled 100 enrollee-months, 74 met the requirements; however, the remaining 26 enrollee-months did not meet 1 or more of the requirements. As a result, Noridian made improper MCPs of $4,663 to physicians and qualified nonphysician practitioners. Enrollees were responsible for $1,162 in coinsurance related to the improper payments. These improper payments occurred because Noridian’s oversight was not sufficient to ensure that physicians and qualified nonphysician practitioners met Medicare billing requirements for ESRD-related services. On the basis of our sample results, we estimated that for our audit period Noridian made approximately $8.8 million in improper MCPs to physicians and qualified nonphysician practitioners for ESRD-related services. We also estimated that Medicare enrollees paid approximately $2.2 million in coinsurance for the improperly paid ESRD-related services.

What OIG Recommends and Noridian Comments
We recommend that Noridian: (1) recover $4,663 in improper payments made to physicians and qualified nonphysician practitioners for the 26 sampled enrollee-months; (2) notify the physicians and qualified nonphysician practitioners to refund $1,162 in coinsurance that was collected for the 26 sampled enrollee-months; and (3) update the educational material on its website as well as any previously provided webinars to include all Medicare requirements and guidance for billing and documenting ESRD-related services and continue to perform medical record reviews as part of the Targeted Probe and Educate program, which could have saved the Medicare program an estimated $8.8 million and could have saved Medicare enrollees up to an estimated $2.2 million for our audit period. The report contains one other recommendation.

Noridian concurred with all of our recommendations and described actions that it had taken or planned to take to address our recommendations, including updating the educational material on its website to include all Medicare requirements and guidance for billing and documenting ESRD-related services.